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THREE LECTURES

OR
THE QUESTIONS,

SHOULD THE PRINCIPLES OF POLITICAL ECONOMY BE
DISREGARDED AT THE PRESENT CRISIS?

IF NOT, HOW CAN THEY BE APPLIED TOWARDS THE
DISCOVERY OF MEASURES OF RELIEF?

DELIVERED IN THE THEATRE OF TRINITY COLLEGE, DUBLIN, IN HILARY TERM, 1847.

By W. NEILSON HANCOCK, LL. B. M. R. I. A.

PROFESSOR OF POLITICAL ECONOMY IN THE UNIVERSITY OF DUBLIN.

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ADVERTISEMENT.

The alarming distress which the failure of the potato-crop has produced, and the prevailing misapprehensions with respect to the use of Political Economy in the discovery of measures of relief, suggested the subjects of the following lectures. One of the conditions on which the Professorship of Political Economy is held, requires the Professor to publish a lecture every year. The increasing urgency of the crisis has induced me to fulfil this condition by the immediate publication of these lectures.

W. NEILSON HANCOCK.

March 1st, 1847.

LECTURE I.

GENTLEMEN,

The conditions by which the Professorship of Political Economy is held, impose upon me the duty of delivering a course of public lectures on the science. In entering on the discharge of this most important and responsible duty, I must, in the first place, call your attention to the great obligations we all owe to the enlightened founder of this Professorship. He first introduced the study of Political Economy into this University, indeed, I may say, into Ireland; but he did more, for, by a munificent endowment and wise arrangements, he provided at once a perpetual encouragement to those who should make the science their study, and also a security that the benefit of the encouragement should not be confined to the recipients of the endowment, but should, in public lectures, be extended to all.

Next to the founder, we are much indebted to the Provost and Senior Fellows of this College, who, by accepting the endowment, gave the sanction of the highest educational authority in Ireland to the new science, and, by instituting an annual examination, with liberal prizes, afforded increased encouragement to its systematic study. On this occasion, I cannot but express my deep sense of the public benefits thus conferred; whilst, at the same time,

I must ascribe whatever knowledge of the science I have acquired, to the encouragement afforded to its study in this University.

I have also to offer my most grateful acknowledgments to the Provost and Senior Fellows for the high honor they conferred upon me, in electing me to teach this science,—an honor which, in proportion to its value, has excited my anxious apprehension lest the science should, at a time when public attention is peculiarly directed to its claims, in any way suffer from an imperfect discharge of my duties.

I shall now state the plan which I propose to pursue in these public lectures.

Into an exposition of the elementary principles of the science I do not intend to enter; such principles can be most successfully learned from the text books selected for the annual examination.

My public lectures will be confined to the defence, illustration, and extension of the science; or, in other words, to the removal of prevalent fallacies and misapprehensions with regard to its nature and objects, to the application of its principles to the solution of social difficulties, and to the statement of new principles, or new methods of enunciating the principles already established.

In pursuance of this plan, the subject which I shall first treat of, is one that has been much agitated in the discussions raised by the peculiar circumstances of the times, namely,—**SHOULD THE PRINCIPLES OF POLITICAL ECONOMY BE DISREGARDED AT THE PRESENT CRISIS ?**

That a difference of opinion should exist, as to the measures which ought to be adopted to relieve the alarming distress now unhappily so prevalent, is what might naturally be expected; but the extraordinary variety and extent of this difference of opinion can only be accounted for, by the too prevalent practice of deciding on the merits of each plan of relief, by a hasty consideration of the immediate advantages it proposes to confer, without any calcula-

tion of the cost at which those advantages are to be obtained, and without any comparison with the advantages and cost of other plans of relief.

But this comparison of different plans of relief, both as to their relative advantages and as to their cost, is the primary foundation on which every decision as to the measures to be adopted should be based. It is common, indeed, for persons who are ostentatious of their charitable feelings, and are very ready in applying hard epithets to those who differ from them, to say that they do not care what the relief costs. With distress so extensive, and the means of meeting it not unlimited, it is obvious that every one who, through ignorance, thoughtlessness, or wilfulness, recommends or adopts a more expensive, instead of a less expensive plan of relief, does, so far as the amount expended according to his recommendation or by his influence is concerned, afford less relief to mitigate distress than would have been afforded but for his mistake.

How, then, shall this all-important comparison be made? By what standard shall the advantages and the costs of different plans be compared? There is a standard which is applicable to all plans, and under all circumstances, and that is—*value*. The object of every plan of relief must be to relieve the destitute, that is, either to give to those who have no means of obtaining the necessities of life, money, or other assistance, by which they can procure food, or else to supply food to them directly. In either case, the relief afforded will be greater or less in proportion as the pecuniary value of what is given is greater or less. Adopting value, then, as the standard of comparison, let us compare the often-suggested plan of prohibiting the exportation of provisions from Ireland, with the plan of giving food to one class of destitute persons, namely, the aged, the infirm, the widows, and the children; and giving money to another class of the destitute, namely, the able-bodied men.

The prohibition of the export of provisions is only an auxiliary measure of relief, its only effect being to lower the price of provisions. Those who derive any advantage from the low price, must have some means wherewith to purchase; they must, therefore, either be not destitute, or have had their destitution already partially relieved. Still, as an auxiliary measure, it undoubtedly affords relief, to the extent of enabling the funds expended in the plans of relief, to which it is auxiliary, to be more advantageously laid out. The value of the relief thus afforded can be readily estimated. It is equal to the amount of the fall in price caused by the prohibition, multiplied into the quantity of food consumed by the destitute. Let us suppose that the 2,000,000 of destitute persons in Ireland, would consume in one month 50,000 quarters of wheat and Indian meal, and 100,000 quarters of the coarser grains, and that the prohibition of exportation reduced the price of wheat from 70s. to 50s. a quarter, and the price of the coarser grains from 35s. to 25s. a quarter, such large reductions being the most favourable suppositions for the advocates of prohibition. The complete relief of the 2,000,000 of destitute persons for one month, by whatever plan the prohibition was to be auxiliary to, would cost, before the introduction of the prohibition, at least £350,000; namely, £175,000 for 50,000 quarters of wheat, &c. at 70s. a quarter, and £175,000 for 100,000 quarters of oats, &c. at 35s. a quarter. After the prohibition, to relieve the same number of persons would cost at least £250,000; namely, £125,000 for 50,000 quarters of wheat, at 50s. a quarter, and £125,000 for 100,000 quarters of oats, &c. at 25s. a quarter. The value of the relief afforded by the prohibition would be equal, therefore, to £100,000. The advantage conferred by it would be the affording auxiliary relief to that amount.

But what would be the cost of this advantage? In con-

sequence of the prohibition, a fall in price would take place, not only in the grain consumed by the 2,000,000 of destitute persons, but also in the grain consumed by the 6,000,000 who are not destitute, and in the grain used in distillation, brewing, the feeding of horses, and in other ways. Let us suppose the consumption by these means to be only five times as much as the consumption of the destitute, then the amount of the fall in price, multiplied into this quantity of grain, would, of course, be five times the amount of the fall in price, multiplied into the grain used by the destitute, or £500,000. If the prohibition were adopted at the beginning of the season, it would impose on the farmers the loss of £600,000. The plan of prohibiting exportation of grain from Ireland, according to the suppositions I have made, would give auxiliary relief to the extent of £100,000 to the destitute, at the cost of £600,000 to the farmers, a class in society that has suffered most heavily by the failure of the potato crop.

Now let us suppose that instead of prohibiting the exportation of grain, a sum of £100,000, as additional relief, were applied towards giving larger money allowances to the able-bodied destitute, and towards paying a higher price for the food purchased for the infirm destitute. Under the suppositions already made, precisely the same advantages would be secured to the 2,000,000 of destitute persons, as the prohibition of exportation would confer, and secured at an expense very little beyond the £100,000; since the number of paupers being equal, there would be little or no increase in the cost of the machinery requisite for the distribution of the additional relief.

In this comparison of two plans of relief, as to the amount of relief afforded and its cost, the important question—What parties are properly liable to the burden of relief?—has been carefully avoided. The two questions should always be kept separate. Let us first decide what is the most pru-

dent plan of relief, and then consider how the burden of paying for it ought to be imposed on the proper parties? We should hesitate to act with those advisers who, mixing these questions together, cry loudly for the adoption of plans of relief, which, however extravagant in their character, and consequently burdensome to others, will, from the way in which their expense is usually defrayed, be less burdensome to themselves, and the class to which they belong.

But let us compare the two plans under consideration, with respect to the incidence of the burden. Suppose that the amount required for the money allowances to the able bodied labourers was advanced by the Government, to be repaid in ten annual instalments out of the poor-rates levied in the distressed districts. This tax would, in the first instance, fall on the tenants and landlords in those districts, the landlords paying the greater share; and would ultimately fall on the landlords only. The plan of prohibiting the exportation of grain would impose an immediate tax on the farmers in the grain-growing districts only, equal in amount to six times the relief afforded.

Whether the burden of supporting the destitute should be cast on the farmers in the grain-growing districts, or on the farmers and landlords in the distressed districts, or on the contributors to the general taxes, is a question belonging to the science of speculative politics, with which Political Economy is only indirectly concerned. It is, however, the business of the economist to point out where any plan of relief imposes a burden not contemplated or not defended by its advocates, in order that the *whole* cost of the relief may be understood before the plan is adopted; and that, if adopted, the whole cost of it may be imposed on those parties, and *those only*, on whom the burden is intended to fall.

Any one maintaining that the exportation of grain from

Ireland should have been prohibited, or should now be prohibited, may be fairly called on to prove that the amount of relief which he calculates would have been or will be produced by the prohibition, would have cost or will cost less than the same amount of relief afforded to the same persons, by the plan of giving money-allowances to the able-bodied destitute, and food to the infirm destitute. If he cannot prove this, let him state the principles on which he advocates the adoption, in the time of alarming and extensive distress, of the most expensive plans of relief. As to the incidence of taxation, let him show why the farmers who were wise enough to grow grain, should be selected as the class on whom to impose a peculiar and heavy burden. If he thinks they ought not to be exclusively taxed, let him explain how he proposes to compensate them for the loss they must sustain if the prohibition were enforced? If he replies that no investigation should take place, either into the amount of relief afforded, or into the cost of affording it, or as to the class on whom the burden is to fall, let him explain, clearly and explicitly, why all ordinary prudence and justice should be disregarded in a case like the present, when every class in the community, although willing to assist, fears the burden of taxation; why the most extraordinary exertions, and the greatest sacrifices should be required, in order to raise funds for the relief of distress; and yet all consideration as to the most prudent distribution of the funds, when raised, be decried.

The question between those who maintain the well-established principles of Political Economy, and those who deride them, rests upon this simple issue—whether or not, in determining on the measures of relief to be adopted, all investigations into the amount of relief afforded by each plan, the cost of affording it, and the parties who are to pay for it, are to be disregarded? If they are to be disregarded in times of danger like the present, then, and *only* then, the

principles of Political Economy, or the science of value, may, so far as they are concerned, be safely disregarded.

But if it would be a waste of the funds consecrated to the relief our distressed fellow creatures,—if it would be a thoughtless, or else a base and cowardly abandonment of our duties to our country, to disregard investigations whose importance arises from, and increases in proportion to, the extent and urgency of the danger,—it must be equally a waste of sacred funds, equally an abandonment of our duties, to disregard the principles of Political Economy, without which such investigations cannot be successfully conducted.

It is not intended by the phrase, “principles of Political Economy,” to refer to the doctrines or teachings of this or that writer on the subject; but to those principles of the science of value, which by the labour and reasoning of many great minds have been established, and are now generally adopted by those who are best acquainted with the science. No one can undertake such investigations without framing for himself, or adopting from others, some principles as to the science of value. Without such principles, how can the causes which regulate the price, or money value of food, at different times in the same market, or at the same time in different markets, be discovered? How can the causes which regulate the rate of wages, or the money value of labour, be ascertained? Every one, therefore, who undertakes such investigations is a political economist, however he may repudiate the name; for—“A man who attends sick persons, and prescribes for them, is called a physician, whether he prescribes skilfully or not, or whether he have carefully, or negligently, studied anatomy, pharmacy, and nosology.”—“And on the same principle, one who forms opinions, and frames or discusses measures relative to the matters we are now speaking of, is a political economist; though he is likely to be but a *bad* one, if he does so ignorantly, and at random.”—“There is, in fact, no way of keeping clear of Political Economy, however we may

“avoid the *name*, but by keeping clear of the subjects of it.”*

Those who contend that, in deciding on the measures to be adopted at the present crisis, the principles of Political Economy should be disregarded, must be prepared to maintain one of three propositions:—

First, That investigations into the effects, cost, and burden of such measures are unnecessary; or,

Secondly, That such investigations do not involve questions of value, such as the price of food or rate of wages; or,

Thirdly, That in discussing questions of value, the principles of the science of value should be disregarded.

On any subject but Political Economy, this last proposition would not be listened to for an instant: on *this* subject it seems wonderfully popular.

The opponents of the sound principles of Political Economy generally avoid this direct way of discussing the question, and endeavour to raise a prejudice against the science, by representing it as standing in the way of relief. So prevalent is this misrepresentation, that it is not unusual to hear the question, Is relief to be denied because the economists forbid it? This question is founded on an entire mistake of the peculiar province of Political Economy, in relation to the question of the adoption or rejection of measures of relief.

The principles of Political Economy cannot forbid that distress should be relieved. To give relief is one of our highest duties towards our fellow man;—a duty sanctioned alike by revelation and natural morality. The meaning and force of the command, “Thou shalt love thy neighbour as thyself,” is a question of religion to be determined by divines. The extent of our duty towards our fellow man, as deduced from our moral nature, is a question of ethics to be decided by moralists. With the decision of these ques-

* Archbishop Whately's Lectures on Political Economy, pp. 81, 82.

tions, Political Economy is no more directly concerned, than mathematics, geology, or any other distinct science. But when the extent and nature of our duty towards our neighbour has been determined by the divines and moralists, and when it is proposed to adopt means for its discharge, if these means involve any question of value, such as the price or money value of provisions, the wages of labourers, or the value of labour, *that* question should be referred to Political Economists for decision; just as questions of religion are referred to divines, of ethics to moralists, of mathematics to mathematicians, and of physiology to physiologists. The right determination of that question, so referred, can lead to no other result than the ascertainment of the most effectual means, so far as the science of value can lead to their discovery, by which our duty to our fellow-man can be discharged.

The economists can only forbid a measure of relief, when; from their knowledge of the science of value, they are convinced that the forbidden measure is inferior to, and less efficient than, some other measure of relief within our reach. To adopt a measure, forbidden on such grounds, would be a gross dereliction of our duty. For the duty of assisting those in distress cannot be satisfied by an idle adoption of the first plan of relief, either suggested by our own thoughts or recommended by the example of others. The adoption of the *best* plan is obviously the only honest discharge of our duty.

For a zealous endeavour to teach the community how they shall most effectually relieve the destitute, Political Economists are frequently called *hard-hearted* and *cruel*—terms singularly inapplicable, since the decision on the merits of plans of relief depends on the intellect and not on the feelings.

When a writer, professing to teach the principles of Political Economy, travels out of his province by giving an erroneous opinion on a question of morality, such as deny-

ing the obligation to relieve distress, he is generally blamed for being a Political Economist, and his error is ascribed to the science he is teaching; whereas he ought to be censured for not confining himself within the proper limits of his science, and his error ought to be ascribed to the erroneous principles of morality from which his opinion was deduced.

Some other arguments for disregarding the principles of Political Economy remain to be noticed. It is urged that the science is in an imperfect state, and therefore not to be relied on. This objection proves too much, for, if valid, the principles of *all* sciences should be disregarded. Notwithstanding the progressive improvement which has taken place in them, from their first discovery till the present time, they are still in an imperfect state. But what is conceded to the other sciences must be granted to Political Economy—namely, that whatever may be the progressive state of a science, those who have profoundly studied it are more likely to arrive at a correct conclusion, upon a subject falling within its limits, than persons of equal capacity, who have never devoted either time or labour to its investigation. Many physicians lived before the discovery of the circulation of the blood, when physiology was in a much more imperfect state than it now is. Yet, those who were skilled in the principles of physiology, as then discovered, must have been capable of treating a disease more successfully than a physician, who, on account of the imperfect state of the science, had neglected the study of such principles.

Again, it is objected that the principles of Political Economy, having been deduced from the observation of *ordinary* states of society, cannot apply to such an *extraordinary* emergency as the present. If it is intended, by this objection, to convey that the case of a scarcity has not been made the subject of careful observation and examination, by those who established the leading principles of the science, the objection is at once refuted by a reference to the celebrated “ Digression concerning the Corn Trade and Corn

Laws," which occurs in the *Wealth of Nations*, where the case of a scarcity is carefully considered, and the opinion of the founder of Political Economy is summed up in these words: "The unlimited unrestrained freedom of the corn trade, " as it is the only effectual preventative of the miseries of a " famine, so it is the best palliative of the inconveniencies of " a dearth; for the inconveniencies of a real scarcity cannot " be remedied, they can only be palliated. No trade de- " serves more the full protection of the law, and no trade " requires it so much, because no trade is so much exposed " to popular odium." But if it be meant that we should expect to find the laws of value in operation in *extraor- dinary* circumstances, quite distinct and different from those in operation in *ordinary* circumstances, the objection would make the laws on which value depends, unlike all the other laws of nature. Such an expectation would, in fact, be contrary to the whole analogy of science. For that universality of operation, belonging to the natural laws, which enabled Newton, from the observation of such an ordinary event as the falling of an apple, to discover the law which regulates the movements of such extraordinary bodies as the planets, is found to prevail in every branch of the natural and moral sciences.

An extraordinary derangement of the social system forms no exception to the application of the doctrines of Political Economy; on the contrary, such derangements have called the science into existence.

"I wish for my own part," says Archbishop Whateley, "there were no such thing as Political Economy. I mean "not now the mere *name* of the study: but I wish there had "never been any necessity for directing our attention to "the study itself. If men had always been secured in per- "son and property, and left at full liberty to employ both "as they saw fit; and had merely been precluded from un- "just interference with each other—had the most perfect

“freedom of intercourse between all mankind been always al-
 “lowed—had there never been any wars—nor (which in that
 “case could have been easily avoided,) any taxation—then,
 “though every exchange that took place would have been one
 “of the phenomena of which Political Economy takes cogni-
 “zance, all would have proceeded so smoothly, that proba-
 “bly no attention would ever have been called to the subject.
 “The transactions of society would have been like the play
 “of the lungs, the contractions of the muscles, and the cir-
 “culation of the blood, in a healthy person; who scarcely
 “knows that these functions exist. But as soon as they are im-
 “peded and disordered, our attention is immediately called
 “to them. Indeed one of these functions did exist for
 “several thousand years before its existence was even sus-
 “pected. It is probable that (except, perhaps, amongst a
 “small number of curious speculators) anatomy and physi-
 “ology would never have been thought of, had they not
 “been called for in aid of the art of medicine; and this,
 “manifestly, would have had no existence, but for disease.

“In like manner it may be said to have been diseases,
 “actual or apprehended—evils or imperfections, real or
 “imaginary, that in the first instance directed the attention
 “of men to the subjects about which Political Economy is
 “conversant: the attention, I mean, not only of those who
 “use that term in a favourable sense, but of those no less
 “who hold it in abhorrence, and of our ancestors who
 “never heard it. Many, no doubt, of those evils have
 “been produced or aggravated by the operation of errone-
 “ous views of Political Economy; just as there are many
 “cases in which erroneous medical treatment has brought
 “on, or heightened diseases; but in these, no one will deny
 “that it is from correct medical views we must hope for a
 “cure.”*

* Lectures on Political Economy, p. 84.

The last passage of this extract furnishes an answer to another common argument against Political Economy, which is urged in this form:—"Notwithstanding the adoption of plans of relief supposed to be in conformity with the principles of Political Economy, many lives have been sacrificed. Ought we not, therefore, to disregard these principles; since, if the principles be sound, those who framed the plans must have been mistaken in supposing the plans to be in conformity with them, and we cannot prudently incur the risk of mistake, when lives are in jeopardy?"

Let us test the accuracy of this reasoning by the case of an hospital in which there was excessive mortality, from the physician employed having an imperfect knowledge of physiology, and consequently adopting erroneous medical treatment. Would not the remedy in such a case be, to have a consultation of more skilful physicians as to the treatment to be adopted, and to endeavour to find out, by a more careful study of the principles of physiology and medicine, some better medical treatment? Would it ever be proposed in such a case, to turn all the doctors out of the hospital, and to disregard the principles of physiology and medicine in the treatment of disease? As, therefore, mistakes in medical treatment always lead to a more careful examination of the principles of medicine, and to the consulting of those skilled therein, more especially in cases where life is in danger,—just so, any mistakes in the application of the principles of Political Economy, in cases of a like nature, ought to lead to a more careful study of the science, and an application to those who have studied it to suggest the remedies.

In this, as in every other department of human affairs, the experience of the past, treasured in the writings of the learned—enlarged, matured, and corrected by our reasonings and daily experience, is the best guide through the difficulties of the present. Those who are convinced of the truth

of the principles of Political Economy, founded as they are on sound reasoning and wide experience, will best provide for the advancement of science, by confining it within its proper limits, and will best secure the safety and welfare of the community, by fearlessly maintaining and acting upon every conclusion within those limits, which is rightly deduced from the well established principles of the science.

LECTURE II.

GENTLEMEN,

Besides the arguments for disregarding the principles of Political Economy, which I brought under your notice in my last lecture, there are others which remain to be considered.

The "doctrine of Political Economy" has been recently described as "a novel and pernicious heresy against the rights of God and man, disguising its desolating influence under the specious name of free trade." This charge of irreligion against the science has been well refuted by Archbishop Whately, in his introductory lectures.

"That Political Economy should have been complained of as hostile to Religion, will probably be regarded a century hence (should the fact be then on record) with the same wonder, almost approaching to incredulity, with which we of the present day hear of men's having sincerely opposed, on religious grounds, the Copernican system." * * *

"It is a Christian duty to do good to our fellow creatures, both in their spiritual and in their temporal concerns: and, if so, it must be also a duty to study, to the best of our ability, to understand in what their good consists, and how it is to be promoted. To represent therefore any branch of such study as inconsistent with Christianity, is to make Christianity inconsistent with itself." (pp. 28, 37.)

It is a common argument against Political Economy, that a too strict adherence to its principles in the measures of relief adopted in the west of Ireland, has produced the deaths from destitution that have, unhappily, taken place. But has there been *too strict* an adherence to the true principles of Political Economy in these measures?

Let us consider the Commissariat arrangements commenced last year, and continued in the western, north-western, and south-western districts of Ireland this year. By the Treasury Minute of the 31st of August last, the Government announced that *only part* of Ireland would be "left to the foresight and enterprise of private merchants to supply with food," namely, "the ports on the northern, eastern, and southern coasts, from Londonderry to Cork, and those parts of the interior which were ordinarily supplied from them;" whilst, in the rest of Ireland, "depots for the sale of food were to be established at Longford, Banagher, Limerick, Galway, Westport, and Sligo, and subordinate depots at other places on the western coast, as the necessity for taking such a step should become apparent."

This interference was adopted on the ground, that the ordinary operations of the provision trade could not be expected to extend to the districts thus interfered with; as if there could be any districts to which the provision trade would not be extended, if prices were only allowed to rise high enough, and if adequate relief were supplied to the destitute in such districts. But the whole plan was clearly at variance with the principles of Political Economy, which point out that the providing food *for sale* in *all* districts, and under *all* circumstances, should be left to the foresight and enterprise of private merchants.

There was a limit to the interference in the rules laid down by the same minute, that the depots were not to be opened, while food could be obtained by the people from private dealers at reasonable prices, and that even when the depots

should be opened, the meal would, if possible, be sold at such prices as would allow of the private trader selling at the same price with a reasonable profit. But these rules only made the plan *less* at variance with the principles of Political Economy than it would otherwise have been. Resident traders were probably prevented by them from discontinuing their operations; but they did not prevent the effect which government interference necessarily had, in deterring new traders from applying their enterprise and skill to the creation and extension of the trade in grain.

The objection to the Commissariat plan, on account of its being at variance with the principles of Political Economy, is not a mere abstract objection, but rests on this simple ground—that there is no relief to the destitute afforded by it, that could not be afforded in a cheaper and more efficient manner by a system of direct relief, with adequate tests of destitution. It is sufficient, at present, to notice the objection, I shall in a subsequent lecture prove the grounds on which it rests.

The second measure of relief in the west of Ireland, the employment under the Labour-Rate Act, was, both in its adoption, and still more in the mode of its administration, at variance with sound Political Economy. Had the employment been merely required as a test of destitution—had the allowances been the same to all the persons employed, and kept as low as was consistent with affording adequate relief, then the employment on the public works, although extravagant, and therefore objectionable, would have been a complete plan of relief; but when, by the task-work system, an effort was made to make the labour of the paupers as productive as possible, then the attention of those engaged in superintending the relief, was directed not to the amount of *destitution* and the amount of relief required, to which it ought to have been primarily and almost exclusively directed, but to the amount of *work done*, which was but a secondary object. The high allowances which the

very strong men were able to earn at task-work, raised their condition above that of the independent labourers, and thus inducing many who were not destitute to crowd on the relief works, opposed a barrier to the reception of those who were destitute.

The change subsequently made, of sanctioning works for drainage to be executed by pauper labour, was still more at variance with sound principles, because it concentrated the attention of every one still more on the secondary question, whether the works undertaken were productive or unproductive, and whether the manner of executing them was productive or unproductive—whilst the all-important question, *whether all the destitute were relieved*, was neglected.

The two objects which were thus sought to be effected by the Labour-Rate Act were each desirable; but the mistake was in not keeping the machinery and arrangements for the two objects perfectly distinct. The execution of productive works can only be successfully effected, by labourers working freely for wages regulated by the value of their labour. The relief of the destitute can only be successfully secured by giving to all who comply with the test of destitution adopted, allowances either of money or food, proportionate *not* to the value of their labour, but to their wants.

The combination of the two objects leads to fatal confusion. The money paid to the labourer is made to depend, partly on the value of his labour, and partly on his wants; then the work is executed at an extravagant cost, and is consequently comparatively unproductive, whilst the efforts to make it less unproductive prevent the destitute from obtaining relief.

Whilst the officers of public works were thus engaged in the hopeless task of making pauper labour profitable, and the Commissariat officers were engaged in watching the price of food and probable supply in different districts, the

great object of securing the relief of *all* the destitute was left to the voluntary exertion of relief committees, and to funds raised chiefly by voluntary subscriptions.

Thus the deaths in the west of Ireland, instead of proving the danger of too strict an adherence to sound principles, prove the danger of any departure, however slight, from such principles.

The only plan of relief which, after mature consideration, was recommended on account of its conformity to strict principle, was defeated in its operation in the County of Mayo, where the most numerous deaths took place, by mal-administration. The workhouse of Castlebar, capable of holding 600 paupers, and which could have been enlarged to hold twice that number, contained only 134 paupers,* and the guardians refused to admit more. Is it just, then, to ascribe the deaths at Castlebar to the principles which led to a legal provision being made for the relief of the aged, impotent, and infirm, instead of ascribing them to the mal-administration of those who, in such a crisis as the present, denied to the most destitute and helpless the relief that had been provided for them by law?

The consideration of the subject of my last lecture being now concluded, I proceed to the investigation of a question that is immediately suggested by the conclusion on that subject at which we have arrived.

If, as I have shown, the principles of Political Economy should *not* be disregarded at the present crisis, HOW CAN THEY BE APPLIED TOWARDS THE DISCOVERY OF MEASURES OF RELIEF?

In the consideration of this question, our first step must be to ascertain the nature and extent of the distress.

The alarming distress we have to consider consists of *three* perfectly distinct elements—the increase of destitution

* On the 2nd of January, 1847. Correspondence on Workhouses, Ireland, 1847, p. 107.

from the losses of the potato-growers—the increase of destitution from the high price of food—and lastly, the increase of suffering or inconvenience, not amounting to destitution, from the high price of food.

The first of these elements of distress is frequently overlooked, or its importance undervalued; hence, the high price of food is represented as the *only*, or else as the *greatest* evil to be dealt with. This error receives an apparent confirmation from the circumstance, that the price is the only inconvenience to which those who are not destitute are subjected. And to its prevalence we may attribute the often repeated cry; that food is the only thing that is wanted, and the statement, that if Government had only brought in plenty of food, and kept down the prices, all would have been well.

But were it possible, by a miraculous creation of food on some desert shore, and by its importation into this country, to bring down the prices of the various articles of food to their ordinary level, still all the destitution which has been produced by the losses of the potato growers, would be rather increased than diminished by such a reduction of price, for the farmers would thereby be deprived of the compensation for their loss, naturally secured to them in the rise of price of their other crops.

The common misrepresentation of the opinions of political economists, which describes them as objecting to all government interference for the relief of distress, arises from a similar error, that of considering the *third* element as the *only* element of the present distress. The economists object to interference with the price of food, but they approve of a legislative provision for the relief of destitution. Thus, when Adam Smith says, “the inconveniencies of a real scarcity cannot be relieved, they can only be palliated,” he means, that the increase of suffering, not amounting to destitution, which takes place amongst the poorer classes, cannot be relieved; but he does *not* mean that,

if that suffering amounts to destitution, it cannot be palliated, or that destitution from other causes than the high price of food cannot be relieved.

To ascertain the extent of the first element of distress, or, in other words, the increase of destitution which the losses of the potato-growers have produced, it will be necessary to inquire into the classes by whom the crop was grown, and into their condition.

It is obvious that the primary loss of the potato crop fell on the potato-growers, for the failure was so complete, that the increase of price of the small portion of the crop that was saved, limited as that increase was by the price at which the numerous substitutes could be obtained, formed but a small portion of the loss on the rest of the crop.

The potato was grown in a manner quite different from that in which other crops were grown. The farmers, except those who supplied the large towns, generally confined their cultivation to the quantity required to supply their houses and feed their cattle. The large portion of the crop which was to supply the food of the labouring classes, and the pigs kept by them, was grown under the con-acre system. Under this system, each labourer took from some farmer a portion of ground, from about half an acre to three-fourths of an acre. To this ground he supplied the manure collected about his cabin, and the labour of himself and his family in planting and weeding the potatoes. He undertook to pay the con-acre rent either in money, or in labour by working so many days for the farmer, at the rate of 6*d.*, 8*d.*, or 10*d.* a-day, and with or without being fed by the farmer when employed. The labourers, too, very often paid the rent of their cabins, by working so many days for the farmer under whom they held them.

Thus a very great part of the potato crop was grown by a system marked by a total absence of division of labour, and the whole risk of growing the crop was thrown on the

labourers, who were not possessed of any capital to bear the loss in case of failure.

As to the general condition of these labourers, it is stated in the report of the Land Occupation Commissioners, p. 35, "It will be seen in the evidence, that in many districts their only food is the potato—their only beverage, water; that their cabins are seldom a protection against the weather; that a bed or a blanket is a rare luxury, and that nearly in all, *their pig and their manure-heap constitute their only property.*" That such should be their condition, after the adoption for years of a system so singularly at variance with sound economic arrangements as the con-acre system, is only a verification of the principles of Political Economy.

What the economists often predicted as the inevitable results of that system, happened last year. All the con-acre men were reduced to bankruptcy; they not only lost the value of their seed-potatoes, manure, and labour in planting and weeding, but they were wholly unable to fulfil their contracts with the farmers; they could not work out a sufficient number of days in payment of their rent, without leaving their families to starve; neither could they fatten their pigs for sale, or save out of money-wages to pay the con-acre rent in money, because the means of feeding their pigs were gone, and any money-wages they could earn would be little enough for the immediate wants of themselves and their families.

To trace the effect of this bankruptcy of the labouring classes, we must next inquire into the amount of employment they had in an ordinary year, and the rate of wages at which they were employed. On this point, there is abundant information in the evidence taken before the Irish Poor Enquiry Commission; whence it appears, that from December till February, and in some districts till March, the agricultural labourers of Connaught, and other poor districts, had scarcely any employment; and that there was a similar period of want of employment in the months of

June, July, and part of August. During the winter cessation from labour, their labourers were supported by the stores of con-acre potatoes. During the summer cessation, they migrated to England, Scotland, and the east of Ireland for employment. Then, when employed, the wages paid were extremely low—8*d.*, 7*d.*, and in some places even 6*d.* a day being the common wages throughout the west and south-west of Ireland. As long as potatoes formed the sole food of the people, and the wages were to be expended in procuring them by con-acre or otherwise, their cheapness in ordinary years prevented the amount of wages limiting the supply of food, although that amount forced the labourers to be content with clothes and articles of furniture of the most wretched description. But now, when the labourers have to come into the market of the world for food, their command of the necessaries of life is measured by their wages in money, and those in the remote districts are even worse off than those near the great seaports, as the price of foreign grain is necessarily higher in the remote districts on account of the increased cost of carriage.

The potato failure, then, has produced the most alarming destitution amongst the con-acre labourers—first, during the periods when they were ordinarily unemployed; and secondly, at other periods, from the inadequacy of their ordinary wages, whilst from their numbers and want of skill, the value of their labour being depreciated, they are unable to force higher wages from the farmers.

The bankruptcy of the labourers, besides its direct effect, has increased their destitution by completely deranging the relation previously subsisting between them and their employers. The farmers lost the greater part of the con-acre rent, whether due in money or in labour, in addition to their direct loss from the failure of their own crops. The fact of the farmers, as a body, being the creditors of the labourers, as a body, is often overlooked in comments on the conduct of the labourers, in preferring the public works

to their ordinary employment. Should any labourer return to his ordinary employment, he would generally be working for an employer who could set off the old con-acre debt against a claim for wages.

I cannot conclude these observations on the condition of the Irish labourers, without noticing some prevalent misapprehensions arising from want of attention to some of the circumstances which I have brought under your notice. Thus, the small number of labourers employed during the last two months in agricultural operations, has been frequently observed on, as raising a well-grounded fear, that agriculture will be extensively neglected during the ensuing season; and the system of public works has been blamed as the sole cause of this neglect. But the cessation of agricultural employment in this year at the *same seasons* as in an ordinary year, should create no unnecessary fears; and the system of public works cannot be accused of *withdrawing* labourers from agriculture, at a period of the year when they used to be *unemployed*.

Again, the Irish labourer has been repeatedly represented as more easily demoralized by the system of out-door relief, which was adopted on the public works, than any other labourers. The small number that migrated to the English harvests last summer, was adduced as a proof of their preference of the easy work and small wages on the roads, to the hard work and high wages in England.

Now the diminished migration of these labourers is a strong proof of the entire derangement of the labour market, which a system of out-door relief to the able-bodied is calculated to produce. It shows, too, how completely inadequate employment on public works, at even the lowest allowances that will sustain life, must ever prove as a test of the destitution of the Irish labourer; for labourers who could get good wages by migrating to England, cannot be properly deemed destitute. But it does not show any peculiar defect in the character of the Irish labourer. In an ordinary

year, the labourer migrated, because, having no employment at home, he gained the entire of the English wages, after deducting the cost of transit, as the reward of his exertion. Last year, he would have gained only the difference between the English wages for the time he was employed in England, and the allowances on the public works, not for that time only, but also for the time usually spent in going to and returning from England, and in looking for employment there. Thus, the bad labourers, instead of gaining, would probably have lost by going last year; and the good labourers would have gained so little, as not to compensate them for the greater certainty of the employment at home. When their conduct admits of this obvious explanation, should we not be cautious of fixing the stigma of laziness on a race of men, who annually traverse and re-traverse Ireland, and the greater part of England, to seek an opportunity of undertaking the most severe tasks, because the reward of their exertion is ample and secure?

The losses of the labourers, as potato-growers, was, by the non-payment of con-acre rent, either in money or labour, transferred in a considerable degree to the farmers. In order to estimate the destitution produced by this transferred loss, added to the direct loss which they incurred as potato-growers, it will be necessary to inquire into the condition of the farmers.

The condition of the farmers, as distinguished from that of the labourers, must depend on the arrangements with regard to capital employed in agriculture. Let us inquire, therefore, whether these arrangements are based on sound economic principles.

Nearly all the capital employed in agriculture in Ireland is the capital of the tenant, for the Land Occupation Commissioners report as follows:—

“ It is well known, that in England and Scotland, before
 “ a landlord offers a farm for letting, he finds it necessary
 “ to provide a suitable farm-house, with necessary farm-

“ buildings, for the proper management of the farm. He
 “ puts the gates and fences into good order, and he also
 “ takes upon himself a great part of the burden of keeping
 “ the buildings in repair during the term; and the rent is
 “ fixed with reference to this state of things. Such, at
 “ least, is generally the case, although special contracts
 “ may occasionally be made, varying the arrangement
 “ between landlord and tenant. *In Ireland, the case is*
 “ *wholly different.* The smallness of the farms, as they are
 “ usually let, together with other circumstances, to which
 “ it is not necessary to advert, render the introduction of
 “ the English system extremely difficult, and in many
 “ cases impracticable. It is admitted on all hands, that
 “ according to the general practice in Ireland, the landlord
 “ builds neither dwelling-house nor farm-offices, nor puts
 “ fences, gates, &c., into good order, before he lets his land to
 “ a tenant. The cases in which a landlord does any of
 “ those things are the exceptions. The system, however,
 “ of giving aid in these matters, is becoming more preva-
 “ lent. In most cases, whatever is done in the way of
 “ building or fencing is done by the tenant, and in the or-
 “ dinary language of the country, dwelling houses, farm-
 “ buildings, and even the making of fences, are described
 “ by the general word ‘improvements,’ which is thus
 “ employed to denote the necessary adjuncts to a farm,
 “ without which, in England or Scotland, no tenant would
 “ be found to rent it.” (p. 16.)

What encouragement then has the Irish tenant to accu-
 mulate capital and invest it in the land? The leasehold
 tenants have at best only the *same* security as the English
 tenants, although they ought to have *greater* security, on
 account of the permanent improvements which they are
 expected to make. The leasing powers introduced into
 Irish settlements have been borrowed from the English
 leasing powers, without the slightest regard to the differ-
 ence between the relation of landlord and tenant in England

and in Ireland. But the leasehold tenure of Ireland has ever been complicated with other considerations, than the simple one of securing the largest surplus produce beyond a fair remuneration for the labour and abstinence employed in the cultivation of the land.

The prevalence of the Roman Catholic religion throughout three provinces of Ireland kept the greater part of the farmers of this country, for many years, under the operation of the penal laws ; one of which forbade that any Roman Catholic should purchase land, or hold it for any lease exceeding thirty-one years, or hold it for any lease at all, if the profit produced by the farm should be greater than one-third of the amount of the rent. To the same penal laws may be traced the origin of the middleman system, which has been recently ascribed to Celtic ignorance and Celtic rapacity.

When, towards the close of the last century, the penal laws relating to the purchase and tenure of land were relaxed, a new element came into operation. The parliamentary franchise being confined to freehold interests, and being made so low as forty shillings, led to the subdivision of holdings, and the granting of freehold leases from political rather than economic considerations. When the franchise was raised in 1829 to £10, and in 1832 was extended to leasehold interests, small holdings and freehold interests lost their political importance. Since then, leases have been granted or refused quite as often on account of the political franchise attached to them, as on account of their utility or inutility as an arrangement between landlord and tenant.

It appears, then, with regard to the leasehold tenants, that adequate security is not afforded for the application of capital in the execution of the most permanent improvements ; and that sound economic principles have not guided the creation or exercise of leasing powers in Ireland.

The tenants without leases are a still more numerous

body than the leasehold tenants. The Land Occupation Commissioners state that, looking generally through Ireland, they believe the large proportion of the land is occupied by tenants-at-will. The difference which exists between Irish and English tenants-at-will, in the amount of security for the investment of capital they enjoy, is still greater than the difference between Irish and English leasehold tenants in the same respect.

The English tenants-at-will have their customs of tenancy which, on account of their ancient origin, are recognised as part of the common law. These customs give them sufficient security for the application of their capital in the old modes of husbandry, and they have to apply none in making the great permanent improvements. In late years, when improved systems of cultivation and the use of artificial manures have been introduced, and now especially, that the artificial arrangements which the corn laws created have been disturbed, the farmers find that the old customs do not give security for the additional expenditure of capital which these changes have rendered necessary ; hence the demand for *tenant-right* in England.

If the English tenants-at-will thus find a want of security, how much more must it be wanted in Ireland, where *all* the improvements are left to be made by the tenants, and yet not even the common-law customs are in existence to protect the application of capital? In the greater part of the province of Ulster, a custom of tenant-right analogous to the English customs prevails, but it is maintained by the will of the people and the wise concession of the landlords, and rests neither on common nor statute law. In other parts of Ireland there is a continual effort on the part of the tenants, to force a recognition of tenant-right, but nowhere, except in Ulster, has it been systematically adopted by the landlords.

This want of security to tenants-at-will is often ascribed entirely to the existing body of landlords. But

were a landlord of a settled estate convinced that a tenant-right agreement was preferable to a lease, as giving more security to a good tenant, and less power to a bad tenant, still his agreement would be comparatively valueless, as it would not bind those entitled to estates in remainder under the settlement. As powers to make such agreements have been omitted in the estate settlements, the existing body of landlords are restrained by law from adopting tenant-right agreements. The existence of this restraint on the power of the landlords in the prudent management of their properties, contrary as it is to the principles of Political Economy, suggests the point which should be aimed at in legislation on tenant-right ; that is, not to *compel* the landlords to grant tenant-right, but to *enable* them to do so.

The want of tenure and want of security for the application of agricultural capital, has produced in Ireland the effects which economists would predict. As the permanent improvements are left to be made by the tenant without security, they are almost entirely neglected, except on leasehold tenements, and in the Ulster tenant-right districts. The want of security has given rise to those agrarian crimes, which have had such an injurious effect on the condition of the farmers. Such crimes are scarcely known in the parts of Ulster where the adoption of tenant-right has afforded the partial security of a custom not established by law.

The want of tenure and of security having impeded the investment of the tenant's capital in the land, has of course diminished the *encouragement* for its accumulation, and hence the *small* farmers are found almost destitute of the capital necessary to sustain the losses which they have incurred from the potato failure. They are also unable to adopt the change from the payment of wages by con-acre to their payment in money.

The want of tenure and of security, combined with the operation of the Usury and Loan Fund Laws, affects the small farmers in another way, by creating impediments to

their borrowing capital, to enable them to carry on the requisite cultivation. Thus the farmers, without lease or tenant-right, can give only personal security ; subject to the priority which the landlord has for his year's rent, in case of an execution for the debt. Then their difficulties in borrowing are increased by the Loan Fund legislation, by which, contrary to all economic principles, the protection of the borrower is sought to be secured by charitable exertions, instead of by the unlimited competition of free trade in money. The last suspension of the usury laws left sums under £10 still within their operation, although it is admitted in principle and practice, that the smaller the sum and the greater the risk in lending, the larger ought to be the rate of interest. It is a singular anomaly in this Loan Fund legislation, that a charitable body, with exemptions from stamp duties, and extraordinary powers for recovering money, is authorized to charge, and *does* charge, a higher rate of interest on loans under £10, than any regular trader in money can legally charge.

The double loss from the failure of the potato, which is imposed in the manner I have mentioned on the farmer, is compensated in the case of large holders by the increased price of other crops. But this compensation does not take place amongst the small farmers, so that many of them have been reduced to destitution, and all of them have been crippled in their means of employing the usual amount of labourers on the land. The result is, that their demand for labour has decreased below what it usually was, thus increasing the amount of destitution amongst the labourers.

The amount of destitution thus created by the loss to the labourers and farmers, is quite distinct from the destitution produced by the high price of food.

Had the potato been grown in Ireland as wheat is grown in England, by those only who had sufficient capital or sufficient variety of cultivation, to bear the risk which its growth, like every other human speculation, necessarily im-

poses ;—had there been no unwise legislation in past times, to produce the artificial arrangements which unhappily prevail,—*then* the loss by the failure would, by the operation of natural laws, unimpeded by the rash interference of man, have been generally diffused over the community, so as to produce only general inconvenience instead of local distress. For, in such circumstances, the failure would have affected all the farmers, much in the same way as it has affected the large farmers this year. Their loss by the potato crop would have been in a great degree, although not entirely, compensated by the rise in the price of other crops. The free trade with other countries, supposed to prevail, would have led to such extensive importation, that the price of other crops could not have risen so high as they have done this year. The whole community would, in the increased price of provisions, have paid for the greater part of the loss of the potato crop. The loss falling on the farmers, would not have been sufficient to prevent their carrying on the usual amount of agricultural operations, and so giving employment to the labourers at their usual wages. Those wages would have been sufficient to give the labourers an adequate though diminished supply of food, and thus little or no destitution or distress would have been produced.

It is of particular importance to call your attention to the effects which the social condition of the Irish farmer and labourers has had in producing the present distress, and to the effect which past legislation has had on the condition of the farmers. For an inattention to these circumstances has led to two very common errors on this subject. The condition of the farmers has frequently been ascribed to the Celtic race, or to the religion professed by the majority of the population—opinions which, if true, would preclude all hopes of a remedy, since legislation is powerless to change the race or religion of a people. But the arguments usually brought forward to prove that race or religion was the cause

of the present state of Ireland, would generally be found to prove only that the penal laws and other unwise regulations of past times being brought into active operation, by the race or religion of the classes or individuals effected, produced the evils in question.

LECTURE III.

GENTLEMEN,

Having called your attention to the first element of distress, namely the increased destitution from the losses of the potato growers, our next inquiry must be into the remedies to be adopted; these may be divided into two classes, viz.: those for the immediate relief of destitution, and those for the removal of the permanent causes of the wretched condition of labourers and farmers in Ireland.

On this occasion I shall enter into the consideration of the former class of remedies, and at some future period I hope to have an opportunity of investigating the latter.

What provision should be made for the immediate relief of the destitute? On this subject there are some general principles indicated by theory, and fully confirmed by the experience of the systems of relief, which have been in operation in Ireland during the late and present seasons of distress.

First, all the relief to the destitute given out of public taxation, whether local or general, should be given by one comprehensive system, and under one set of officers, whose duty should be confined to superintending such relief, for the double purpose of securing its efficiency, and guarding against abuse.

The neglect of this obvious principle, during the past operations, has produced the effects which might have been pre-

dicted. Whilst many suffered severely for want of relief, others obtained assistance from all the sources of relief. Thus, able-bodied labourers frequently got allowances on the public works, determined by the high price of food in the district; then purchased cheap meal from the Commissariat stores; and at the same time had their wives and children relieved in the workhouses. Again, the division of the machinery for relief into three sets of public officers produced a divided responsibility. Thus, the Poor Law Commissioners state* that when, from time to time, they reported, for the information of his Excellency the Lord Lieutenant, the fact that any particular Union workhouse was full, they considered that the duty of relieving the destitute poor in that Union devolved upon the relief committees.

This division of responsibility had the further defect, that in proportion as the emergency increased, the duty of relieving the destitute was taken from the old established machinery and experienced officers of the poor law, and entrusted to relief committees and relief officers, who had been hitherto unaccustomed to the administration of relief.

The second principle with regard to funds raised for relief by general or local taxes, is that such funds, no matter how differently applied, should all be raised in the same manner.

In the late arrangements, this principle was disregarded. The funds for the workhouse were raised by an immediate tax on the occupiers and landlords; the funds for the able-bodied paupers employed by the Board of Works were borrowed, to be repaid by a tax in instalments, one half by the occupiers and landlords, and the other half by the contributors to the general taxes; and the funds for the Commissariat relief were raised entirely from the general taxes. The conse-

* Correspondence on Workhouses, Ireland, 1847,—p. 15.

quence naturally followed, that the conduct of the local administrators was influenced by the consideration of who was to pay for the relief. This was strongly exemplified in the conduct of the landed proprietors, with regard to the employment of the people on roads. In last spring there was a grant made to defray, out of the general taxes, half the cost of the execution of roads, the other half to be raised by the county cess, a tax which, although falling ultimately on the landlords, imposes an immediate burden on the tenants. The effect of this grant is thus described by Mr. Trevelyan, the secretary of the Treasury, in a memorandum* dated 8th of March last:—"The existence of this limited and inadequate, but, as regards the proprietors who will benefit by it, highly advantageous grant fund, has also been attended with this unfortunate result—that, in their eagerness to avail themselves of it, the proprietors have neglected the real and substantial means of affording relief to the people, under the pressure of scarcity."

In a memorandum,† dated 15th of April last, Mr. Trevelyan writes more fully on the same subject:—

"The mistake which has been made consists in this,—that among several means of relief which have been provided, one (*the half-grant system*) includes such advantages to the landlords, as to have led to a general demand for it, whether relief *for the people* was required or not; so that, instead of a *test of real distress*, we have a *bounty on interested exaggeration*; and there has been an exclusive application to this particular means of relief, not for the sake of the *remedy*, but of the *sugar on which it is offered*, to the neglect of the other and less objectionable means which have been provided to meet the present emergency."

* Correspondence on Distress from Potato failure, 1846—p. 275.

† Ibid. p. 304. The italics are copied from the memorandum.

“ For many years past, *grants* in aid of public works
 “ have been confined to remote, wild, and poor districts,
 “ like Connemara, and the western parts of Mayo and
 “ Donegal; and, even there, a proportionate contribution
 “ has been required from the proprietors interested.

“ But when this new system of *half-grants* was made appli-
 “ cable to the whole of Ireland by the recent Act, the appeal
 “ thus made to the selfishness of the proprietors was irresistible;
 “ and in the general scramble for this unlooked-for boon,
 “ the ordinary and much smaller advantages offered by the
 “ Board of Works’ Loan Fund have been despised and
 “ rejected; and, indeed, it is unreasonable to expect that
 “ *classes* of people will consent to do things *entirely at their*
 “ *own expense*, when there is a chance of their being done
 “ for them, half at their own, and *half at the public ex-*
 “ *pense*.

“ The Treasury has done what it can to resist the tor-
 “ rent, by requiring proof of distress, and calling on
 “ the proprietors for contributions; but these endeavours
 “ must be to a great extent ineffectual, because, among other
 “ reasons, the proprietors have only to hold out until a case
 “ of distress is made out, in order to force the Government
 “ to yield to their terms; and, in the mean time, the
 “ Government is placed in the awkward and invidious posi-
 “ tion, of hesitating to apply a remedy which it has itself
 “ devised, and withholding the relief which it had itself
 “ previously been supposed to offer.

When, by the Labour-Rate Act of August last, the ex-
 pense of employing the labourers on public roads was
 imposed entirely on the poor rates, that is, on the tenants
 and landlords in the first instance, the landlords paying the
 greater share, and ultimately on the landlords only, the
 employment on the roads was denounced as unproductive,
 and the drainage work, which had been neglected in spring,
 was demanded as a substitute for road-work in autumn.
 Could there be a stronger proof of the importance of adopt-

ing one uniform system for raising the funds for the relief of distress, so as to prevent the administrators of the law being thus influenced by private interest to adopt the most expensive plans of relief?

But there is another striking instance of the injurious effects which the disregard of this principle has produced. The very process which Mr. Trevelyan describes with regard to the half-grants, that the proprietors had only to hold out until a case of distress was made out, in order to force the Government to yield to their terms, has been tried with the workhouse relief at Castlebar, and some other Unions. Last season, the majority of the paupers in the poorer districts were relieved by the Board of Works and the Commissariat operations, without any immediate burden being imposed on the proprietors and occupiers. The non-collection of rates, the resistance to the carrying out of the poor law, in some districts this season, arises from no conviction that it is a more expensive or less efficient plan of relief than the two former, but simply because it would cost the local administrators more. The refusal of relief springs from no want of good feeling towards the poor; it is only sought to make out such a case of distress, as will force the Government to give extensive relief, by plans which, however extravagant, will impose no *local* burden. As long, therefore, as the system of raising funds for each different plan of relief, by a different kind of taxation, is persevered in, so long will the administration of these relief measures run the risk of being paralysed and thwarted by local mal-administration. Indeed, a more complete system for offering a premium to the resistance and obstruction of the best plans of relief, and to the advocacy and support of those that are most unwise and extravagant, could scarcely be devised, than the plan hitherto pursued—of making the burden of contributing to the best plan an immediate and direct tax on the local administrators, and of defraying the

cost of the more expensive plans out of the general and indirect taxes, or by loans repayable at some distant day.

The next consideration to be attended to, in framing a comprehensive plan of public relief, is to understand clearly what such a plan can effect, and what should never be attempted. There are two moral duties, similar yet perfectly distinct, which have given rise to two very different systems of relief, called by the common name of poor laws, and constantly confounded together in discussions on this subject.

The first and most important duty is that of saving our unfortunate fellow-countrymen from dying of starvation. The second is the general duty of endeavouring to raise the condition of all who are included under that comprehensive phrase, "the poor." The two systems which these duties have given rise to, are the plan of providing for the relief of destitution, and the plan of enabling the labouring classes generally to live in a condition of greater comfort, than they could attain without the interference of the state.

The first of these duties is obviously the most important, and experience has proved that it is best discharged by the direct operation of machinery framed for that sole object.

The second duty is at any rate of less immediate importance than the first—and is best discharged without any direct interference of public authority, with the wages or the other arrangements of the poorer classes, by a watchful care that their interests do not suffer from the general laws and institutions of the country.

The fundamental principle with respect to plans for the public relief of destitution, is that the condition of the pauper ought to be on the whole less eligible than that of the independent labourer. The disregard of this principle always leads to one of two bad results. The independent labourers are gradually reduced to the condition of paupers, by the temptation which the relief holds out to them ; and so the number of recipients increasing rapidly, the cost of

any plan which violates this principle, and yet affords relief to all the destitute, is sure to prove in the end much greater than that of plans in conformity with it. If attempts be made to check the expense, by entrusting to the discretion of the administrators the refusal of relief, then their efforts to limit the cost tend to the denial of the relief to some of the destitute.

The only effectual plan which has yet been discovered for carrying this principle into effect, is to subject the recipients of relief to the labour, discipline, and restraint of well-regulated workhouses. The workhouse, therefore, should be taken as the basis of the public relief for the present distress. But are the workhouses extensive enough, and if not, how can additional relief be best afforded? There are one hundred and thirty workhouses in Ireland, built to accommodate 99,220 paupers. There were in these workhouses, on the 2nd January, 1847, 98,852 paupers.* There were, at the same time, about 500,000 persons recommended by relief committees receiving relief on the public works. If only half the latter were taken to be destitute, still the workhouses could not possibly give in-door relief to them; to say nothing of their families. What remedy is to be adopted? First, the extension of the workhouses. The Limerick workhouse, originally built to hold 1600 inmates,† has been enlarged, and on the 2nd of January, 1847, contained 2426 inmates.‡ Suppose workhouses enlarged to hold double the number for which they were built, still in-door relief could be afforded to only 200,000 inmates; and were relief confined to the workhouses, many of the destitute would remain unrelieved, and deaths from starvation must ensue.

* Correspondence on Workhouses, Ireland, 1847,—p. 108.

† Report Poor Law Commissioners, 1846, p. 208.

‡ Correspondence on Workhouses, Ireland, 1847, p. 104. It now contains nearly 3,000 inmates without any risk to the health of the paupers.

The great difficulty with regard to out-door relief, is to give it in such a manner as not to render the recipients better off than independent labourers. Hence the danger of establishing a perpetual system of out-door relief, because it contains within itself the elements of rapid increase, and so has a constant tendency to pauperize the greater part of the labouring population. This was its effect under the old poor law in England.

This danger deserves our especial attention at this crisis, from the circumstance that out-door relief to a large amount has been given during the past season, and its continuance for some time at least seems inevitable. We must recollect, too, that the allowance system, which was the great abuse of the English Poor Law, had its origin in a season of scarcity in the year 1795, when the progress of discontent amongst the labouring classes created apprehensions, and Sir Edward Hyde East's Act* was passed, enabling the justices to order out-door relief.

But there are two kinds of out-door relief, which being less objectionable than others, should be adopted in those places where it is impossible to relieve all the destitute by extended workhouse accommodation; first, out-door relief to aged and infirm persons wholly unable to work. As the proportion which the number of those of this class already destitute bears to the entire number of the class, is much greater than in the case of able-bodied paupers and their families, the adoption of out-door relief is less likely to increase pauperism amongst the infirm than amongst the able-bodied. Secondly, out-door relief may be combined with workhouse relief for the able-bodied. Thus, the able-bodied now relieved by the public works might be offered relief in the workhouses, to take the place of the infirm inmates who would accept out-door relief; and of the able-bodied inmates, who should in turn be put upon the roads.

* 36 Geo. III. c. 23.

The adoption of these plans would be in exact conformity with the administration of the Poor Law Amendment Act in England,—an Act. passed, as you are all aware, for the special object of checking the abuses of out-door relief. In the report of the Poor Law Commissioners for the further amendment of the law, dated 1839, they state that with respect to the class of aged and infirm persons wholly unable to work, they had in very few instances limited the discretion of guardians in giving out-door relief; but with respect to the class of able-bodied persons, they had issued orders prohibiting out-door relief to able-bodied male paupers. The Commissioners, in a subsequent passage, state the consequences which they anticipate will be produced by any departure from the plan they had laid down:—"If the guardians be encouraged to give out-door relief systematically to classes of able-bodied labourers, and if the principles of allowances in aid of wages be legally established, the system of relief which has been created under the Poor Law Amendment Act will speedily assume a new form. The workhouses, which have been built at so considerable an expense, will become mere almshouses and hospitals for the aged, the sick, and the young; while the able-bodied labourers, relieved directly or indirectly at their own houses, will, as formerly, be maintained partly by wages and partly by allowances from the poor rates." (p. 70.)

In the past operations, precisely the opposite of this plan was adopted. The relief for the aged and infirm was adequately provided in the work-houses only: out-door relief was given systematically to classes of able-bodied labourers, by the public works; and the principle of allowances in aid of wages was established, by the sale of food by charitable funds at an under-price; and the consequence which the Poor Law Commissioners predicted would necessarily result in England from such practices happened here—*The workhouses became alms-houses and hospitals, for the*

aged, the sick, and the young. Thus, on the 2nd January, 1847, there were, out of the 98,852 inmates, only 4,500 able-bodied men, whilst there were 14,874 sick in the work-house hospitals.

But how should the large funds, which even the most prudent extension of the present poor-law would require, be raised? It has been objected to the extension of the Irish Poor Law to meet the present emergency, that the rates would confiscate the interest of the landlords. Mr. Senior, in objecting to the adoption of Mr. Scrope's plan of providing by law, work and wages for every man willing to work, and of defraying the costs out of the poor rates, shows that his proposal would amount to the confiscation of the landed property of Ireland; and points out, in a very forcible manner, the ruinous effects such a confiscation would have on the country. He shows, by the well known instance of the parish of Cholesbury in England, that if the poor rates once exceeded the net surplus produce, the entire cultivation of the land must be abandoned, as it could only be continued at a loss. This objection is a perfectly valid one, against the plan of making Irish property solely liable for the burden of Mr. Scrope's extravagant proposal, of raising the condition of all the *poor* in Ireland, by direct interference of the law; or against the attempt to make it solely liable, for even the most prudent plan of relieving *the destitute* that can be adopted at the present crisis. But this has not been done in the late operations for the relief of distress. The expense of the Commissariat arrangements has been defrayed entirely out of the public taxes. Then half the expense of the relief given on the public works is to be defrayed from the same source. Besides, large public donations have been given in aid of local subscriptions to the relief committees. If therefore the public money is given in these comparatively expensive plans of relief, why should it be withheld from the more prudent plan, if adopted as a substitute for them?

The principle is thus admitted, that although the property in the distressed districts ought to be primarily charged with the cost of relief, yet when the cost becomes excessive, part of the burden should be thrown on the public taxes. This principle could be applied to the extended poor law, and the difficulty about confiscation would be at once avoided. If the expenditure of any Electoral Division under the extended poor law, in one month, should exceed five-pence for each pound of net annual value, that is, five shillings a year, let one-half of the excessive expenditure be defrayed by public grants. If the expenditure of any Electoral Division in one month should exceed one shilling and three-pence for each pound of net annual value, let the excess above such sum be *entirely* defrayed by public grants; with power to the government, in the latter case, to appoint a special guardian, without whose consent no further relief should be given.

In this plan of raising the funds, the sums of five-pence in the pound and one shilling and three-pence in the pound are of course only taken for illustration. The scale on which public contributions should be given, ought not to be determined without an elaborate investigation of the subject. But were this plan, or some plan on the same principle, adopted, the public aid would not be wasted on districts able to support their own poor; and, where given, it would come in aid of ample funds from local taxes, instead of affording a motive to resist their imposition and collection. Local control would be enlisted by self-interest, to guard the prudent expenditure of *all* the relief funds, and no confiscation of property or stoppage of cultivation could take place.

Having now concluded the consideration of the nature, extent, and means of relief of the first element of distress—the increase of destitution caused by the losses of the potato-growers, let us proceed to a similar consideration of

the second element of distress—the increase of destitution from the high price of food.

I have already noticed that, in many of the more remote districts, the usual wages of the labourers, although sufficient to supply them with potatoes in an ordinary year, are inadequate to supply them with the more expensive kinds of food this year. The number of agricultural labourers is so great, and the demand for their labour so small, that they cannot force higher wages from the farmers. Many of them have therefore become destitute, in consequence of the high price of food. How then are this class of destitute persons to be relieved?

The most common proposal for their relief is that the price of food should be lowered to the price of an ordinary year, by Government interference, and at the public expense. But the comparison which I instituted in a former lecture, between the plan of prohibiting the exportation of grain, and the plan of direct relief in money, applies with equal force to this proposal. Whatever measures were adopted to keep down the price of food, it would be lowered to all consumers, whether destitute or not; and for all kinds of consumption, whether in human food, in distillation, or in feeding cattle. So that every £1 of relief to the destitute would be given at a cost of £7 or £8, or at a cost bearing the same proportion to the relief given, as the entire consumption of food bears to the consumption of the destitute. But every such artificial reduction of price must increase every kind of consumption of food. Such increased consumption, at the commencement of the season, must therefore produce greater want, and consequently greater suffering, at the end of the season, than if the price had been left to the regulation of the natural laws by which it is controlled. Or else a greater quantity must be imported from abroad than would otherwise have been required, and of course at a still greater cost. Towards the end of the season, if the price were to be still kept down, each £1 of relief afforded

would cost from £11 to £12; or the proportion before mentioned, multiplied by the proportion in which the price abroad and the cost of carriage would be increased by the increased demand. And the whole of this extravagantly expensive relief would be laid out in a way that would paralyze domestic trade and industry; whilst precisely the same advantages could be secured to the destitute by a system of direct relief, at a cost very little beyond that of the amount of relief given.

The next proposal for the relief of the second element of distress, is to sell food at reasonable prices to poor persons only. This proposal finds great favour with those who are anxious to be prudent, but who are afraid to recommend any thing that would be unpopular. "We are fully convinced," say they, "that there should be no interference with trade. But surely there can be no harm in selling food at a reasonable price to the poor." Hence we have soup kitchens, and charitable sales by relief committees and individuals. Now there *is* harm in this proposal; that is, the harm of adopting a *worse* instead of a *better* plan of relief. The money which is expended in the soup-kitchens and meal sales, would give more relief to the destitute if it were distributed under the extended poor law, in out-door relief to the aged and infirm, and in the entire relief of the able-bodied, using the workhouse and public works as tests to secure that none but the destitute were relieved. Of all the plans of relief, that of *selling* food at what is called a *reasonable* price is most wanting in a good test of destitution. There is no adequate check on the receiver of the relief, and he is better off than the independent labourer. The fact of food being *sold* instead of *given*, conceals from the buyers that they are the recipients of charity. They never think that they are paupers partaking of public relief. On the contrary, they are taught to believe, and most of them do believe, that they buy the food at its *natural* price. The high price charged by the retail dealer is,

in their opinion, caused by his avarice, or, should that be disproved by a reference to prices in distant markets, then by a combination of the merchants there, or else by the neglect and remissness of the government. Many of those who, though badly off, are far from being destitute, buy meal at the reduced price, who would be ashamed to ask for or take the amount of relief thus afforded, if offered in money.

Again, the term "*reasonable*," which is usually applied to the price fixed for charitable sales, in contrast to the market price, tends further to conceal from the buyers that they are paupers. It is obvious that in a year of scarcity, the general consumption of food cannot go on at the same rate as in an ordinary year, or the supply would be entirely exhausted before the end of the year; there must therefore be some provision in the economy of nature to check the consumption, and this provision is the increase in value of the small supply, or in other words, the rise in price. And the price, however high, which is requisite to check the ordinary consumption in such a degree as to secure the deficient supply lasting the entire year, is the natural and rational price of food. Unrestrained freedom of trade would always bring about this price; therefore the market price, having a constant tendency to coincide with it, should be called the rational or reasonable price of food. The price fixed for charitable sales, on the other hand, being fixed without any regard to any such considerations, generally differs from this price by being much below it. It is therefore an *irrational* or *unreasonable* price, its effect being to encourage the consumption of the food faster than is desirable for the interests of the community. The price of food in an ordinary year, which is so often selected as the standard for charitable prices, is *certain* to be an *unreasonable* price, as the *same* price cannot suit a year of ordinary abundance and a year of scarcity.

The want of a good test of destitution in this plan, is ge-

nerally sought to be supplied by some system of recommendations or tickets. But this proves an inefficient means; for the givers of the tickets are nearly all imbued with the same misapprehensions and prejudices about the *sale* of the food and the *reasonableness* of the price. Besides, the check should always be imposed, not on the giver, but on the receiver of public relief. The result is, that this kind of relief is always given in a great amount to those who are not destitute. In such an extensive scarcity as the present, the funds available being physically limited, the effect of wasting relief on them is, that some of the destitute, being left unrelieved, die of starvation. A similar misapplication of the public money, in the amount of grants to different districts, is encouraged by this proposal. The sums which are given to the districts, where the local funds, although insufficient to relieve all the *poor*, are quite sufficient to relieve all the *destitute*, render it necessary to make smaller grants to the districts that are really destitute; that is, where the local means are quite inadequate to relieve all the destitute. Hence, deaths from starvation will ensue in the poorest districts, for want of the relief which is given in some wealthier districts, to those who, though suffering no doubt, yet are far removed from such a melancholy fate.

The third element of distress remains to be considered—the increase of suffering or inconvenience, not amounting to destitution, from the high price of food. The large body of the population live from day to day on means not much above their wants; when, therefore, a great rise in the price of food takes place, from a cause which, like the potato-failure, tends at the same time to diminish the income of most of the community, considerable inconvenience must be felt. This inconvenience is, however, only the result of a wise provision of the Almighty, by which the high price effects the same object for the world at large, which the prudent master of a vessel does in a similar case for his crew. Just as he puts them on short allowance, in

order to make the stock of provisions last out the voyage, so the bulk of the people are put on short allowance by the rise in price, in order that the stock of food may not be exhausted till the next harvest. It is impossible to avoid all the inconvenience of a real scarcity. All that can be done is to palliate it, by relieving the destitute.

The call for government interference to relieve this element of distress by interfering with the price of provisions, generally arises from the common prejudice, which attributes the rise in price to the conduct of the dealers in provisions, instead of to the wisdom of the Almighty. But legislative interference with the price and sale of provisions, which, in consequence of this prejudice, prevailed in England for many centuries, was finally abandoned on account of its inutility near a century ago, and eighty years have elapsed since Adam Smith exposed the fallacy of the prejudice, in his celebrated "Digression concerning the Corn Trade and Corn Law."

Economic reasoning on this prejudice is often answered by the common taunt against Political Economy, that it recommends the interest of the poor to be sacrificed to the interest of the merchants. How baseless this taunt is, a reference to the great work of the founder of the science will prove. There are no parts of the "Wealth of Nations" more forcibly written, than those in which Adam Smith exposes the Mercantile System, under which the merchants of his day sought to secure their own interests, at the sacrifice of the interests of the community.

The sole reason that Political Economists object to any interference with the provision dealers, is that their interests and that of the community are identical; that they cannot gain except by benefitting the community, and that they cannot injure the community without injuring themselves.

The proof of this proposition has been elaborately given by Adam Smith, in the "Digression" already referred to, but it can be put in a very short form. Let us take

the case most commonly objected to, in which the dealer makes his profit by buying to sell again in the same market; he cannot make such a profit save by selling at a higher price than he bought. But, during the same season, grain cannot be at a higher price at one time than at another in the same market, except there either is or is believed to be a greater scarcity of grain at the time of the higher price. It is the interest of the dealer, then, to buy at the time when there is the least scarcity of grain, and sell it when there is the greatest scarcity. And the more exactly he estimates these periods, the greater his profits. But by his purchase he takes a quantity of grain out of the market, at a time when there is either a lesser or the least scarcity, to bring the same grain back again when there is a greater or the greatest scarcity; thereby doing the act which is manifestly most for the interest of the community.

The argument from the case in which the dealer makes his profit by buying in a distant market, to sell in his own market, might be stated with equal brevity; but, before doing so, I shall enter into an investigation of the causes which regulate the price of provisions.

Those who recommend the interference of government with the price of provisions, seem generally to be unacquainted with the causes on which that price depends. The price of wheat, to take it as an example, or, in other words, its value in money at a given place and a given time, depends on the causes which render it then and there *useful* and *limited in supply*. The utility of wheat, or the degree in which its possession is desired, depends on the wants or wealth of the population consuming it. The causes which limit the supply of wheat at any place from year to year, or in what is usually termed an average year, depend on the amount of wages and the amount of profits that have to be paid for the labour and abstinence* employed to raise

* Definition of *abstinence*: "The conduct of a person who either abstains from the unproductive use of what he can command, or

the portion of wheat that is continued to be raised at the greatest expense, or on the wages and profits which would have to be expended to raise an additional quantity, if an additional quantity were required. These two amounts are generally so very near one another, that either of them may be taken as the limit of the price from year to year.

The labour and abstinence which thus enter into the cost of production, are not only the labour of the farmer and farm labourer, and the abstinence of the farmer, but also the labour of sailors, carters, and others employed in the carrying of wheat, and the abstinence of those who employ their capital in the carrying trade. Thus, if the introduction of steam boats on the Atlantic should reduce by one half the cost of carrying wheat from America, and if a large quantity of it could be produced in America, without an equivalent increase in the amount of labour and abstinence employed in raising it there ; the cost of production at Liverpool of American wheat would thereby be lowered. For that part of the cost of production consisting of the cost of carriage, being reduced more than that part consisting of cost of cultivation would be raised, the whole cost of production would be lowered, and consequently the price.

Such being the causes on which the price of provisions from *year to year* depends, on what causes does the price of provisions depend from *day to day* ? The reason that there is a difference in the two cases is, that wheat requires time for its production ; a year must generally elapse between the harvests ; consequently, the increased production which may take place from year to year, cannot take place from day to day. The causes which make wheat useful are two-fold ;

“ designedly prefers the production of remote to that of immediate results.”—“By the word *abstinence*, we wish to express that agent, distinct from labour and the agency of nature, the concurrence of which is necessary to the existence of capital, and which stands in the same relation to profit that labour does to wages.”—*Senior's Treatise on Political Economy in the Encyclopedia Metropolitana*, p. 153.

first, to supply the immediate wants of the consumers; and secondly, to supply their expected wants during the entire period until the next harvest. It is this latter kind of utility which raises the price of provisions in a time of scarcity. The apprehension that the supply will not be sufficient for the entire year, makes it very desirable to possess wheat for future use.

When the price of wheat begins to rise from this cause, let us consider how it is affected by the causes limiting the supply. The price rising above the price of ordinary years, in the first place the wheat that is usually exported in ordinary years ceases to be exportable, unless an equal rise takes place in the country to which it used to be exported. Next, the rise in price makes it more expensive to use wheat for other purposes than human food. The quantity of wheat used as human food will also be diminished from the same causes, particularly amongst the poorer classes, whose consumption, on account of their numbers, is by far the greatest. But notwithstanding this more sparing use of wheat, the price will still rise, and merchants in the grain trade will then look to importations; they will ascertain the price of food in foreign countries, as in America, Russia, Germany, Turkey, and Egypt. They will ascertain the freight and insurance on bringing it from these countries. The price of wheat in these countries depends on its permanent cost of production in them, and will be raised by the increased demand for it. The cost of carriage depends on the *amount* of labour and abstinence necessary to be employed in the carriage, and on the *price* of that labour and abstinence. The price of foreign grain at Liverpool, Belfast, or Dublin, or at any other port where it is imported, depends on the cost of production to the importer there; or, in other words, on the price abroad with the cost of carriage added. Then the price of foreign wheat in any inland town depends on the price at the

seaport, and on the cost of carriage from the seaport to the inland town.

It is very important to attend to the way in which the price of wheat in any one market is thus limited by its price in every other market, and the intervening cost of carriage; because it teaches the only way by which the price at any inland town can be kept from rising to an extravagant amount above the price at the seaport, and the way by which the price at the seaport can be prevented from rising to a great degree above the price in foreign countries. That way is by diminishing the cost of carriage. Whatever tends to diminish the cost of inland carriage tends to equalize the price throughout the same country; whatever tends to diminish the cost of carriage by sea, tends to equalize the price throughout the different parts of the world.

Let us examine, then, on what this cost of carriage depends. It depends on the amount of labour of all the persons employed in the carriage of the grain, and the amount of the abstinence exercised by the capitalist who buys the grain, and pays the wages of the labourers employed, and on the value of this labour and the value of this abstinence. It depends, also, on the value of boats, on railway fares, canal and turnpike tolls, and any other matters which either are monopolized agents, or which, on account of the supply not being capable of immediate increase, become so.

Now very great misapprehensions prevail, from not attending distinctly to these different elements in the cost of carriage. For instance, the *amount* of labour necessary to bring a cargo of wheat from America, is probably the same this year as any other year; but on account of the great demand for vessels to bring over wheat, and the consequent demand for seamen, the *value* of the labour has increased much above what it is in an ordinary year; and consequently the amount of wages to be paid to the seamen

has increased. Again, the owners of vessels and of warehouses adapted to the grain trade, receive an extraordinary remuneration or rent for the use of these, because their supply cannot be suddenly increased. Then the *amount* of abstinence to be exercised by the capitalist is increased beyond what it is in an ordinary year—first, because, on account of the higher price of wheat, it requires a greater amount of capital to purchase the same quantity; secondly, because a greater amount of wages has to be paid; and thirdly, because a greater amount of rent has to be paid for the use of ships, warehouses, and other monopolized agents, as far as they are monopolized. The *value* of the abstinence is increased, because, as the prices of the grain fluctuate more in a year of scarcity than in any ordinary year, there is greater risk. The trade is, besides, a comparatively new trade to many who enter into it. Thus it appears that all the elements of the cost of carriage from America to England increase in a year of scarcity, except the amount of labour.

I may observe here, by way of digression, an instance of the operation of that law which you are all familiar with, as a part of the Divine economy in the moral government of the world,—that the sins of parents are often visited on their children. The unwise legislation in England, which has been imitated in America, of opposing barriers to the free interchange of commodities, is now visited upon us. We have now, in a year of scarcity, to pay a higher price for the necessities of life, because our fathers enacted and maintained corn laws, navigation laws, and protective duties, and because the Americans followed them in that unwise policy. Had there been a still more extensive trade between America and England than there is,—had there been a regular trade in grain in vessels of the best construction for carrying it, and in warehouses adapted for its storage,—had there been a large body of merchants regularly engaged in importing grain; then, in a year of scarcity like the present, the increased supplies could be obtained

with a much less increase of the cost of carriage, and consequently a much less increase of price than they can now be obtained.

Let us now trace the manner in which the cost of *inland* carriage is affected by a scarcity, taking the different elements of the cost of carriage as before, viz.: the amount of labour, the amount of abstinence, the value of the labour, the value of the abstinence, and the rent paid for the assistance of the monopolized agents used.

In the first place, the *amount* of labour is increased. More boatmen must be sent with the boats on canals; more carters must be sent with the carts; more watchmen must be employed at the stores; besides the carpenters employed in putting up bars and strong doors, and otherwise preparing defences for the stores; all for the purpose of protection against the popular violence, caused by the unfortunate prejudice against persons in the provision trade. Then the *value* of this labour is increased; first, on account of the public odium; secondly, on account of the risk of personal violence. When boats, carts, or stores are attacked, those employed either lose their situations if they do not protect their masters' property, or are beaten if they do. The *rent* of warehouses, and the hire of canal boats is increased as in the foreign trade. The *amount* of abstinence necessary to be employed is likewise much increased by the increase of the rent, of the value of the labour, and of the price of grain, as in the case of foreign trade; and also by the increased amount of wages to be paid, arising from the increased amount of labour. The *value* of the abstinence is also increased on account of the popular odium against persons in the trade, the personal risk they run, and the risk of having their stores and houses destroyed, and property plundered, besides the increased fluctuation of price. The increase of all these elements produces a great increase in the cost of carriage; so that the price in inland towns can rise much above the price in the seaports.

This accurate analysis of the causes affecting the cost of carriage places in the strongest point of view, the folly of those misguided people who attempt to lower the price of provisions by shooting horses, by stopping the trade, by attacking the stores or persons of those engaged in the trade of carrying provisions; and also the folly of those who, from motives of charity, sell grain at a lower price than the market price, with the avowed object of reducing the profits of the regular dealers; since every such sale increases the odium against the dealers, and so ultimately raises the price of provisions in the very market where it is attempted. It shows, too, the folly of all attacks on such dealers by well-meaning persons, who, however, are ignorant of the principles by which trade is regulated.

We may observe from this analysis, what is the best way by which government can diminish the cost of carriage, and so prevent any extraordinary disparity in the price of grain in different places. It is by discharging that duty, which is the most important, and which falls within the peculiar province of government, namely the affording protection against outrage, intimidation, and crime. Every escort which the government gives to flour-carts and canal-boats, every guard of police or military that is given to provision stores, every mob that is dispersed, every outrage that is put down, tends to diminish the risk of those engaged in the trade, and so to diminish the cost of carriage, and consequently prevent the great rise in price in the inland towns.

This analysis explains a circumstance which has been much observed on in the present scarcity—the large purchase of fire-arms. All persons engaged in the trade of provisions, the grain-growing farmer having the grain in his stackyard or in his house, the boatman, the carter, the merchant, the miller, and the baker, all run greater risk of having their persons or their property attacked than in an ordinary year. All thus engaged in the trade are making

greater profit than in an ordinary year; therefore, of all classes in the community, they are the best off this year. But they cannot realise their gains, unless their persons and property are protected. The odium unfortunately prevalent against them amongst the people, and the numerous outrages that have taken place, render them reasonably apprehensive of danger. Is it surprising, then, that there should be a large purchase of arms, when arms have become a necessary of life to that portion of the community who hitherto did not possess them, and who now are best able to purchase them? It should be noticed, too, that the odium and violence which has led to the purchase of fire-arms, has raised the price of provisions in the inland towns; so that the persons who are guilty of the folly and wickedness of endangering the lives and property of those in the provision trade, really pay in the increased price of food for the arms that the dealers buy in self-defence.

After this examination of the causes which regulate the price of wheat, I may call your attention to the short argument proving that the interest of the dealer who brings grain from one market to another, is really identical with the interest of the community. It is clearly the interest of the community, that the produce of grain throughout the world should be as equally distributed as possible, so that the scarcity from an extensive failure in one country should be counteracted by supplies from other countries; just as scarcity from a failure in one parish would be counteracted by supplies from other parishes. It is also the interest of the community, that these supplies should be brought from whatever country they can be most quickly and easily carried; and, of countries from which the facilities of carriage are the same, that they should be brought from the country where the grain is most abundant. Now it is the interest of the dealer to pursue this very course. For, of countries where the price of grain is the same, he will resort to that from which the cost of carriage is least, and

consequently the facilities of carriage greatest; and of countries from which the cost of carriage is the same, he will resort to that in which the price of grain is least, and consequently the grain most abundant.

Indeed the dealer who brings grain from one market to another, never can make a profit except by bringing it from a place of lesser to a place of greater scarcity. For, as the prices of grain in an average year cannot differ in two markets, by a greater amount than the cost of carriage in an average year between the two markets; and as the cost of carriage increases in a year of scarcity, the dealer cannot make a sufficient profit to induce him to carry on his trade, unless the prices in the two markets differ by a greater amount, than the difference in an ordinary year. But if they thus differ, it must be because the price in the one market is a greater degree above the average cost of production in it, than the price in the other market is above the average cost of production in it—a circumstance which can only arise from the grain being more scarce in the former market than in the latter; or, in other words, more scarce in the market to which it is brought than in that from which it is taken.

Although the interest of the provision-merchants is thus proved to be the same as the interest of the community, some persons will find it difficult to admit the conclusion; they will say, if the proof be correct, how can you account for the prevalence of the prejudice against these dealers? The prevalence of the prejudice arises from the circumstance, that the motive which actuates the merchants in their proceedings, is merely the desire of gain. “In the pursuit of this object, without any comprehensive wisdom, or any need of it, they cooperate unknowingly in conducting a system, which, we may safely say, no human wisdom directed to that end, could have conducted so well—the system by which this enormous population is fed from day to day.” Those who have not reflected on such

subjects are immediately filled with fear for the public welfare, when they consider that the only motive actuating the merchant is the desire of gain. But they perceive not the wisdom of the Almighty, in making the security of the most vital interests of the community depend not on any general benevolence or public spirit, but on the strongest and most enduring of human motives—self interest.

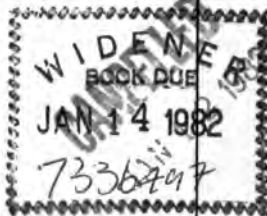
$$\begin{array}{r} 25 \\ 12 \\ \hline 34.8 \\ \hline 17.8 \end{array}$$

$$\begin{array}{r} 45 \\ 12 \\ \hline 54.0 \\ \hline 27 \\ \hline 17.8 \\ \hline 44.8 \end{array}$$



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